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The National Currency, and on the
Repeal of the Specific Contract
Act of the State of California.

By

David L. Cheesman

UNIVERSITY OF CALIFORNIA
AT LOS ANGELES



ROBERT ERNEST COWAN

THE NATIONAL CURRENCY,

AND ON THE

REPEAL OF THE SPECIFIC CONTRACT ACT

OF THE STATE OF CALIFORNIA



NOTES

OF AN

EXTEMPORANEOUS ADDRESS

BY

HON. D. W. CHEESMAN,

Assistant Treasurer U. S. at San Francisco,

BEFORE THE

Members of the California State Legislature and others,

AT THE

ASSEMBLY CHAMBER AT SACRAMENTO, CAL.

ON THE EVENING OF FEBRUARY 8, 1864.



[*Phonographically Reported by Marsh & Bournum.*]



WASHINGTON :

JUDD & DETWEILER, PRINTERS.

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ADDRESS.

MR. CHEESMAN having been introduced by Ex-Governor Stanford, said :

Mr. President, Gentlemen of the Legislature, and Citizens of Sacramento: On the 11th of February, 1861, three years ago, Abraham Lincoln, President elect of the United States of America, as he was bidding adieu to his neighbors and friends at the railroad depot of Springfield, Illinois, implored the Divine blessing and the prayers of his fellow-men upon the journey he was about to undertake, and the course he was about to pursue, in deference to the wishes of the American people, as expressed at the elections that had then been recently held. He there commenced a journey, and an epoch was inaugurated, which, in its results, combined more importance and involved greater responsibilities than any other man had ever before assumed since the first morning of Time. He had been called to preside over a nation founded in 1776, and which, from that time, with a few unimportant exceptions, had enjoyed profound peace and quietude within its borders, but which was then beginning to be disturbed through the agency, to a certain extent, of a pernicious doctrine, promulgated at Charleston, S. C., in 1832, and which had gone on gathering and increasing in intensity and violence until in the early spring of the year 1861 the dark cloud which lowered over our once happy country was ready to burst with all the violence and vehemence of a tropical storm. Human passions had become aroused by traitors, and treason had commenced its diabolical work. The heresies of nullification initiated by John C. Calhoun had poisoned the southern mind, "fired the southern heart," and culminated eventually in the outburst of a gigantic rebellion. Mr. Lincoln was by no means insensible to the perils of the nation, nor to the responsibilities he was about to assume.

It was my privilege, fellow-citizens, a few days subsequently to be present at his inauguration, at Washington, D. C. There was present beside him Stephen A. Douglas, and other good men and true; some who had supported and some who had opposed him, but who now laid all their prejudices upon the altar of patriotism, and stood by his side while he took the oath of office, and swore to support, protect, and defend the Constitution of the United States; and thus, as Edmund Burke eloquently expresses the thought, gave a guaranty "that when bad men unite to overturn the Commonwealth it becomes all good men to unite in its preservation."

The great question at that time, should war ensue, should the southern nullifiers and traitors precipitate a bloody, civil strife, was not so much whether we had armies willing to defend the temple of liberty, as whether our financial condition was such that we could stand a war to suppress and overwhelm a tremendous rebellion.

Men of experience in all parts of the country declared that they did not doubt for a moment that we had sufficient men. The patriotic masses everywhere stood by their country, but the question of finance, the question how to raise the money for the support of the vast armies about to be called into existence, was a question that could not be readily solved. I was informed that President Lincoln had extended the courtesy to a large number, if not all, of the gentlemen who had been prominent candidates for the Presidency before the Chicago convention, to accept of seats in his cabinet, among others to William H. Seward, Simon Cameron, John C. Frémont, Edmund Bates, and Salmon P. Chase. The question arose whether Pennsylvania should have the honor of the Secretaryship of the Treasury or whether it should devolve upon the State of Ohio. In my humble opinion, fellow-citizens, Providence decided that question in our favor in the choice of that illustrious statesman, Salmon P. Chase, of Ohio. [Applause and cheers.]

Various propositions were submitted to Mr. Lincoln to meet the exigencies of the occasion. Among them, a proposition to call out half a million of men at once, but the question very

naturally recurred, "where is the money to pay such an army?" "where is the money to supply arms and ammunition, and all the material of war indispensable to carry on so great a struggle to a successful termination?" Bear in mind, gentlemen, that Mr. Lincoln had been compelled to assume, as one of the legacies of the outgoing administration, a debt, unfunded and unprovided for, of above one hundred millions of dollars, and it had been found difficult to negotiate a temporary loan at the extravagant rate of twelve per centum per annum in gold. The attention of the Hon. Secretary of the Treasury and of Congress had necessarily been directed to the financial condition of the country. Already England had thundered forth—as you well remember—through the columns of the *London Times*, "that ungenerous and uncalled for declaration, that struggling republicanism upon this continent need not expect from her the assistance of a dollar, although we were twenty millions strong, and had pledged ourselves to crush out this monstrous rebellion, yet England and English capitalists proclaimed themselves, in advance, against us, and we were told, in unmistakably plain language, that we could not rely upon her financial aid in the hour of our extremity to the extent of a single dollar. In this great emergency the capacity of our Secretary of the Treasury proved equal to the occasion, and the national loan system was adopted, a system that had, in part, been inaugurated with such splendid success by the Emperor of the French, Louis Napoleon.

"The loan," as our Republican Secretary very aptly stated in the circular which he issued at that time, "was placed in such sums that rendered it unnecessary to depend solely upon the banking capital of the country." Loans could be made in small sums, down to fifty dollars each, so that the humblest citizen might become a bondholder, and thus become identified, as it were, with a financial policy inaugurated to suppress the rebellion, and to save a home for the free to generations yet unborn. On the 25th of February, 1862, the present law passed Congress, and was approved by the President, making "a legal tender" of what are familiarly known throughout the country, and sneered at in some places, as "greenbacks." Thus was

initiated the financial measure which it was thought would supply all the wants and necessities of the Government, and promote the salvation of the country in its dire emergency.

Now, gentlemen, as Californians, let us look for a moment at this question in its true light.

When that act was being considered by Congress we had three worthy and honorable gentlemen representing us in the lower house of our national councils, Mr. Phelps, Mr. Sargent, and our present Governor, Mr. Low. We also had in the Senate Mr. Latham and Mr. McDougall. From Oregon, there were Mr. Nesmith, in the Senate, and Mr. Shiel, in the House. And now observe, while that bill was under consideration which was to provide a currency, and which currency was to be a legal tender for all debts, dues, and obligations of the General Government, except duties upon imports, and while these gentlemen knew that they represented a constituency who gloried in the fact that they had nothing but gold and silver as a currency, was there a voice raised in opposition to the clause which provided that these legal tender notes should *be accepted in satisfaction for all taxes, debts, dues, and obligations of the Government*, except duties upon imports? Not one! Now, the first four named gentlemen even voted for the measure. If that measure were fraught, as is pretended by some, with so much of injury to us; if they saw that the people were not prepared for that currency; if they saw or apprehended the people of California would be opposed to a paper currency, why, I ask, did they not proclaim to Congress and to the country, that the people of California, of Oregon, and the Territories west of the Rocky Mountains, who boast of their gold and silver currency, were opposed to it, and that such an act would meet with opposition? No such proclamation was made. Those gentlemen did not oppose the measure, but on the contrary, recorded their votes in favor of the act of 20th February, 1862, by which greenbacks became legal tenders. They also made a provision by which no coin could be paid out by the disbursing officers of the Government, unless received from other sources than duties on imports,

with the exception of interest upon the public debt, and the debt itself. Here is the act, so far as it relates to the subject :

“Sec. 5. *And be it further enacted*, That all duties on imported goods shall be paid in coin, or in notes payable on demand, heretofore authorized to be issued and by law receivable in payment of public dues, and the coin so paid shall be set apart as a special fund, and shall be applied as follows :

“First. To the payment in coin of the interest on the bonds and notes of the United States.

“Second. To the purchase or payment of one per centum of the entire debt of the United States, to be made within each fiscal year after the first day of July, eighteen hundred and sixty-two, which is to be set apart as a sinking fund, and the interest of which shall in like manner be applied to the purchase or payment of the public debt, as the Secretary of the Treasury shall from time to time direct.

“Third. The residue thereof to be paid into the Treasury of the United States.”

Under this act all the coin received at the custom-house in San Francisco and elsewhere in the United States, from duties on imports, is entirely appropriated to the purposes above stated.

Not one dollar of it can be paid to the soldiers or sailors or employés of the Government, nor for any military or other purpose, with the exceptions already stated ; payments, therefore, upon the part of the General Government must be made in legal-tender notes ; yes, in “greenbacks.” Aside from the coinage charges in the United States branch mint in San Francisco, which is paid into the general treasury in coin, and amounts to about \$288,000 per annum, there has not been paid into the office of the Assistant Treasurer of the United States, in San Francisco, notwithstanding the many millions of dollars paid into it on account of internal revenue and other sources, aside from duties on imports, and the “coinage charges” before alluded to, during the past two years, the sum of \$30,000 in coin, although it is said to be very dishonorable not to meet all our obligations in coin, yet in payment of our indebtedness to the General Government it is not considered dishonorable to *take advantage* of the legal-tender act. Even the great State of California, through her financial servant, the State treasurer, purchases the much-reviled “greenbacks” of the Shylocks of San Francisco to meet California’s quota of the direct tax, which should have been

paid in coin, as it was collected from the people in coin, for that express purpose.

Now, at this very time, while you are protesting, yes, publicly protesting, against the introduction of legal tender notes and doing all you can to weaken the power of the Government and strengthen that of the traitors in rebellion, that Government, during the past six months, has expended over five hundred thousand dollars for the expenses of the army in San Francisco alone, and it is asked to expend no less a sum than one million of dollars in building a branch mint, and I hope it will do so. I hope it will build a mint in the city of San Francisco, equal to any in the world, one that will reflect credit upon the Government and the State a hundred years hence; a mint where all your gold and silver and precious metals generally, may be reduced and coined into American coin. You say you do not want "greenbacks." I say we *do* want them; if for nothing else, to build that mint. We want them, also, to raise that monitor which was sent out by the Government for the defence of our coast, and which now lies sunk out of sight in the harbor of San Francisco. But contractors are ready for a hundred and fifty thousand dollars of those reviled "greenbacks" to raise her, and put her into useful condition. While your brothers and sons are in the field manfully doing battle against the common enemy, taking their pay in greenbacks, and remitting them to their wives and families to sustain them, you are opposing the Government, throwing doubt upon its solvency, and repudiating its currency, doing it a greater injury, possibly, than you could by openly taking up arms against it. I say we *do* want "greenbacks." I received a million dollars worth of them per last steamer, and a portion of that million will go to resurrect the sunken monitor "Camanche," that may some of these days be wanted to defend our coast.

To meet its obligations, the Government has been compelled to send currency here, and during the past year I have disbursed an account of the War and the Navy Departments millions of dollars. Now in view of these facts I ask you, gentlemen, is it right for you to find fault with the General Government for

introducing greenbacks here; is it right to say you want them not, and will not receive them?—

A VOICE. Yes—

Mr. CHEESMAN. That you never asked to have them sent here? I say our members of Congress advocated the measure and thus bound us in good faith, if from no other motive, to receive them as currency, and did not attempt to protect any portion of the Pacific coast against the introduction of greenbacks.

A VOICE. "We don't want them." [Hisses and some confusion.]

Mr. WILCOX. [member of the Assembly.] "Will some gentleman be kind enough to knock that fellow down." [Applause.]

The PRESIDENT. Order, gentlemen, order. [Cries: "Put him out."]

Mr. CHEESMAN. No, no, gentlemen; don't "hang him!" don't "crucify him!!" * [Applause and laughter.]

It is said this is a coin producing State, that we are digging out of our mines gold and silver. True, but by what authority and by consent of what power have we been permitted, since 1848, to work the mines not only of California but of the other portions of the Pacific coast, and thus become a coin producing State and people. The mines, fellow-citizens, are public property, belonging to the loyal people of the United States, who have an equal interest with us; and if we, the people of the Pacific coast, have an undue advantage, or any advantage, over the people of the Atlantic coast, that privilege or advantage has been granted us by the unbounded liberality of the General Government. [Applause.]

The Government has not only allowed you to go and delve in the mines, but has left them wholly and entirely free to all—yes, to all; has allowed us to derive all the incidental and other advantages resulting from such liberality, yet with all this liberality how much have we been really benefitted by our wonderfully rich mines of gold and silver? How much of our precious metals have we retained? Even though we are a coin producing

* See report of Platt's Hall disturbance.

State, how much actual capital have we retained from the vast sums extracted from our mines? Since 1849 there has been shipped as per manifest, from San Francisco no less a sum than \$637,000,000, not taking into account the vast sums carried away by individuals. Of that \$637,000,000 you had an opportunity of retaining the sum of \$172,000,000, the amount of coinage at the mint since its establishment in San Francisco in 1854, which includes refined bars and bullion. Thus \$400,000,000 have gone from you forever, and from which you have derived incidental advantage only. It has gone! Every silver bar, every golden bar, every ounce of dust shipped to foreign countries has been lost to you forever. It were better, perhaps, that those \$400,000,000 were lying slumbering in your snow-capped sierras, for the future would have developed it more advantageously to you. [Applause.]

“Not want greenbacks”—I say we *do* want them, not only to build our mint, to raise our sunken monitor, to pay our army and navy expenditures, but we want immense sums to protect this vast Pacific coast by fortifications of the most impregnable character. And do you think the Government will submit to a depreciation of 40 or 50 per cent. on its currency to buy gold to do all this? Can we expect the Government to manifest a liberal spirit towards us if we do not reciprocate that spirit? Aside from the fortifications in the harbor of San Francisco, the whole Pacific coast is in a lamentably defenceless condition. How is it at San Diego, one of the finest harbors on this coast? The honorable member from San Diego is too well aware of its defenceless state. The people there could not repel an attack from the Alabama, no, not even the little Chapman. It needs an expenditure of at least ten millions of dollars to make San Diego, San Pedro, and Monterey safe from the attacks of lurking treason, which may at any moment burst upon us, and wrest from us those portions of our State, and which not long since were coveted by the slaveholders, who sought to desecrate it with servile labor. [Applause.]

General Ord directed the attention of the War Department to the defenceless condition of the harbor of Monterey during the administration of Mr. Buchanan, but the “Mormon war” had

exhausted his exchequer. [Applause.] At present an enemy might land at Monterey and hold the mountain fastnesses south of San Francisco, and consequently all the southern portion of this State, and with a few vessels upon our coast drive all our commerce from our Golden Gate. Where, then, would San Francisco be? Imploring the General Government to send a few more greenbacks to Assistant Treasurer Cheesman. [Applause, and a few hisses.]

Already greenbacks have built the only protection to the mouth of the Columbia river, though that work is yet in an unfinished condition. Opposite the British possessions, on the north, we have no fortifications. The city of Victoria is a foreign seaport. Large appropriations should be made for the protection of our country and commerce there. In the event of a foreign war Alcatraz and Fort Point, in the harbor of San Francisco, are the only fortifications in an extent of fifteen hundred miles. Napoleon, with the astuteness peculiar to the Bonaparte family, is fully aware of the value and great importance of our Pacific possessions. He has already sent his myrmidons to seize and hold a sister Republic with the iron grasp of a despot, and we are not far distant from the scene of their operations. The General Government stands ready to care for us all the time, for they well know the value of these Pacific possessions. General Banks, the méchanic, the true mechanic, was sent to the southwest to guard the Texas frontier, and checkmate this design of Napoleon. He was sent there to prevent France from seizing Texas. If ever a favorable moment had arrived, if our armies had been beaten back, if Gettysburg had not proved a failure for the rebels, if Lee's army had not been defeated there by those illustrious men who fought and fell upon that bloody field, Texas would have been seized, and these Pacific possessions would have been threatened by the traitors who had been immigrating in considerable numbers to the northern portions of Mexico. They leave us quietly, mysteriously and unannounced. Their programme was to take the Chapman out to sea, put their friends on board the Oregon, and as soon as she had got outside the harbor seize her, as the steamer Chesapeake

was seized by traitors on board, and then where would have been the commerce of San Francisco? Even "greenbacks" would not then have saved it. Fellow-citizens, if anything is to be done by California now is the time. These are matters that should receive serious consideration, and instead of being engaged in that consideration and assisting to the utmost of our powers to help the Government in its emergency in carrying on these important operations, we are depreciating its currency and denouncing its "greenbacks." [Applause.]

California is fast becoming of only secondary importance in respect to mineral wealth. Our sister Nevada sent to the mint during the past fiscal year five hundred thousand ounces of silver ore, more by half than California and all our Pacific possessions, with Mexico thrown in. Talk about California being ahead! Wake up and take a view from the stand point of a Federal official, and you will see adjacent territories outstripping you already; depleting you of your active population, of which California has in the past been so proud.

As I before stated we want a new mint at San Francisco. All things considered it has the best location of any city on the globe. It is equidistant from the Asiatic countries with the marts of the east. It has the largest and finest harbor upon this coast of 10,000 miles in extent. Complete your railroads and you will be within a week's time from your friends on the Atlantic seaboard. Who can estimate the value of the commercial operations that will spring into existence upon the completion of that glorious, that gigantic undertaking? And who can estimate the importance of that road to the destinies of the world at large, and yet where will it be without the assistance of the General Government, and the much derided and abused "greenbacks?" Talk about your capital in California, go to San Francisco and attempt to negotiate a loan of a few hundred thousand dollars, and what do you find: that you cannot get it for less than two per cent. a month, and what enterprise will bear so heavy a burden as that? With such a rate of interest I defy you to build anything like the number of railroads that the best interests of the State imperatively require. But if you will sustain the financial policy of

the Government and coöperate with it, you will have all the capital necessary to develop the wonderful resources of this and the adjacent States and territories; you will invigorate the arm of the Government, and treason will be speedily overthrown. [Applause.]

I desire to read an extract from a letter written by one who now honors the State of California in the United States Senate; one with reference to whom, whether he be my friend or not, I will say publicly, here to-night, that I am his friend, for he is the friend of the Government. [Applause.]

WASHINGTON, *Jan.* 4, 1864.

"Inclosed you will find the first note issued here of the new national currency. It is the first of my pay from our good Uncle, for services yet to be rendered, the value of which probably will always remain a matter of difference of opinion." [Applause.]

And now comes the point I wish to make here:

"It is, like its class, without interest; and yet, by interest, will bind this Union together with hooks stronger than steel, or even gold." [Applause.]

That is the doctrine, gentlemen. I am his friend, for he is the friend of the Government. [Applause.]

SEVERAL VOICES. Name him! Name him!!

MR. CHEESMAN. Mr. Comess, Hon. John Comess. [Cheers and applause.]

Gentlemen: A statement was made in San Francisco upon which I desire to make a few remarks: It was stated that the General Government had issued orders that all its employés, soldiers, and others on the Pacific coast, paid in greenbacks, should receive an equivalent to the same sum in coin. [A VOICE. "That's so." Hisses.] I know that statement is false. The commander of the Department of the Pacific, General Wright, and every officer and soldier under his command, and every Federal official on this coast having a fixed salary receives, and has received for a year past, nothing but greenbacks in payment of his salary for his services, and those at par. Your brothers and friends who are now in the military service of their country,

who are marching and bivouacking on the plains and in the valley of the Rio Grande—men who left in the bloom of health to return, perhaps, broken down with the fatigues and trials incident to a military career—men who were willing to resign the comforts of home and the society of their loved and cherished ones—men who were willing to surrender the aspirations of youth and manhood, perilling life and limb for our common benefit and honor are content to receive greenbacks for their pay, and their families are subsisting upon those greenbacks, here in the midst of your gold producing State; that I know to be true.

A VOICE. "What about that drug* store?"

MR. CHEESMAN. "Well, that drug store was a very good place to go into." [Applause, yells, and hisses.]

MR. WILCOX. Mr. President, if Mr. Cheesman will allow me a moment, I ask that the sergeant-at-arms be directed to put those blackguards out who are disturbing our meeting. [Cries, put them out.] I will not be insulted here by hired rowdies and bullies. I ask that the sergeant-at-arms put them out, and take whatever force he wants for that purpose from this meeting. I will be one myself to help him if he needs me.

[Several other gentlemen tendered their services in similar terms, but the sergeant-at-arms of the Assembly visited the disorderly locality unattended, and quiet was soon restored.]

MR. CHEESMAN. Are you surprised, fellow-citizens? I am not. Are you surprised that hired bullies of monopolists should wish to interrupt this meeting? [Applause.]

Fellow-citizens, at a time like this, when the country is struggling with a formidable rebellion, when Congress is sensitive upon this subject—when it is informed that California not only declines to receive the national currency at par, but is framing statutes to prevent its general circulation—has manifested a spirit of hostility, of opposition, and taken a forward step towards nullification, for that is what it really amounts to—when it learns that the recent decision of our Supreme Court; upon what I

* See report Platt's Hall disturbance.

conceive to be a mere quibble, lays it down that "*taxes are not a debt*," and that the currency of the country cannot be received in payment of taxes. At a time like this, even General Wright and his brave soldiers are paid in a currency which the great State of California refuses to receive at par, or even for their taxes due the State, what, I ask, can we expect our Senators and Representatives in Congress to obtain in the way of expenditures for the Pacific coast to protect us from invasion, to render us secure in our homes, to protect our banking institutions and our property generally? Nothing whatever. Let us then at once start upon a new road. Strike out from our records all "specific contract" laws; make provision for the reception of greenbacks for taxes and salaries; strike it from your statute books, and say we will not oppose "legal tender notes," but we will sustain our Representatives in Congress, and give a renewed pledge to our friends in the field in front of the enemy—to those who fought at Gettysburg, Vicksburg, and Lookout Mountain, who fought "the battle in the clouds," and who to-day are struggling with and throttling this gigantic rebellion. [Applause.]

O Californians, remember the struggles and sacrifices of these heroic men. Go to Washington, and see the long line of ambulances coming in from "the front," from one of those terrible battle-fields, where men of equal courage and bravery have contested every inch of ground, aided by all the infernal engineery of modern warfare, and see the thousands of maimed, of wounded, of dying men, and when you see these stricken heroes carried to the hospitals and their poor wives, sisters, mothers, and helpless little ones gathering around their husbands, fathers, brothers, or sons, who lie gasping out their lives still looking to and blessing with their last breath the glorious flag of their country—the flag they were dying to save—will you have the hardihood to say you will not receive the currency which they were willing to accept in requital of their great sacrifices. O, Californians: happy in the accident of your situation; had it not been for the sagacity and foresight of the administration; had it not been for that noble, glorious, firm,

true, and reliable man, General Sumner, how different might have been your history, perhaps, during this struggle. Sixty thousand stand of arms had been mysteriously sent to California by the traitor Floyd, and Albert Sidney Johnston placed in command of this department; aye, already treason was hatching, the programme was marked out; aid was thus placed within reach of the men of the Pacific coast who stood ready to go with the south, or for a Pacific republic. General Sumner was sent to relieve Johnston, he told me of his taking command; said he: "I crossed over to Alcatraz incognita and immediately waited upon General Johnston and stated my purpose to relieve him of his command. 'Call in an hour, General,' said Johnston, 'and I will give you my answer.' I replied, 'not one moment sir; I take command this instant.'" Treason did not get the start of General Sumner, even for one hour, and Alcatraz and California were saved without blood-shed to the Union. [Cheers and applause.]

Gentlemen: It is time California placed herself right upon the record. I am not going to speak reflectingly upon the course of any member of this legislature, I desire, however, to present these things as they present themselves to one who like myself has been styled* a "*d—d federal hireling*." [Laughter and applause.]

Repeal this obnoxious special contract act, recognize the laws of Congress as the supreme law of the land, receive the currency of the Government at par, invite capital and capitalists at the east and elsewhere, to come with their greenbacks, and when this war ends, as it will soon do, population which we so much need will come to us, for everything invites it: a glorious climate, wonderful mineral resources, extending north and south a distance of three thousand miles; the grandest field for enterprise the sun ever shone upon. Do not say to these capitalists: "If you come here we will shave you forty or fifty per cent." Let them come with their property intact, and soon your rates of interest will be six or seven per cent. per annum, instead of the

* See Platt's Hall disturbance.

ruinous rate of two or three per cent. a month, and often not a dollar to be had at that. [Applause.] Why is it that your mining population is seeking other countries? Simply from the fact that the surface diggings in California have been worked out, and the best and richest of your mines lie undeveloped. To work them successfully capital is required, but money at two per cent. a month will not open them. Mining ditches have been built at enormous expense, and more are wanted in a large portion of the mining country of this State, but they cannot be had while money controls its present extravagant rate of interest. Let capital come in and send those mining ditches coursing along the foot-hills and labor will follow in its wake, and happiness and plenty will follow in the train of honest industry. [Applause.]

California, with all the vast emigration that has flown in upon us, is scarcely more populous to-day than she was ten years ago. All our important towns in the interior, such as Nevada, Grass Valley, Georgetown, Marysville, Oroville, Shasta, and other places are declining in population and business energy. Why is this? Is California less capable of sustaining a mighty population? No! but men cannot afford to pay the extravagant prices that have to be paid for everything necessary to support existence and make life endurable, while money commands its present extravagant rate of interest.

Railroads are of vital importance to us. It matters not whether they lead out of the queen city of the plains or by way of the city of San José, or Marysville, or whether they go out by all those routes. Let not local jealousies exist. Build the roads, develop your resources. Reach out your hands to the vast mineral and agricultural wealth around you and beyond you. Abraham Lincoln requested me, at Springfield, Illinois, to "say to the people of California, if I am elected President of the United States I will make the great Pacific railroad a leading measure of my administration." That pledge has been faithfully kept, and the time is not far distant when the shrill whistle of the locomotive will be heard on the summit of the great Sierras, and California will realize a progress that at present she little

dreams of; but her financial policy will have to keep march with the current of events. Money, like water, will find its level, and the principle that regulates finances at the East will regulate and control money in San Francisco before long. Build your roads, that the timber of your forests may be had to build your ships as cheaply as they can be built anywhere else, and fence your farms as well as in other places, that pretty cottages and happy homes may stud your soil as in the sister States of the East; build your roads, that the grain which is yearly becoming more and more appreciated, not only in our own country, but in the great grain marts of Europe, may be brought cheaply to the seaboard, and not be consumed in expensive transportation. Farmers cannot afford to pay two per cent. a month for interest on the money necessary to cultivate their farms; no legitimate business will pay that amount for any time. What wonder you find farms in the condition they are at present; but bring in the Government currency. Let Mr. Chase's financial system be fairly established, and the farmer, the mechanic, the miner, and the merchant, as well as all other classes in the community, will be able to borrow all their necessities require. In England, where the paper money of the country is appreciated, money is abundant at two and three per cent. per annum. Who ridicules the paper money of the Bank of England? The paper notes of that bank are at a premium over its gold and silver coin everywhere outside of England, and so it would be with our paper money if we were true to our own interests, and properly appreciate it. To have others respect us we must respect ourselves, and to have others respect our financial systems we must respect them ourselves. At present, as soon as the crop is reaped it has to be sold, and when the extravagant interest has been paid the farmer finds but comparatively a very small sum as the reward of his heavy labors, and so with all other kinds of business, interest eats up all the profit and men find, after years of patient industry, and enduring many privations, that they have been toiling to pay the greedy Shylocks who insist upon having "the full measure of their bonds;" their "pound of flesh" is two per cent. per month.

It is said that California is more prosperous than other portions of the Union, because her currency is metallic. I do not think so. While this great war is in progress; while a million of active, able-bodied men are in the armies of our country, in Ohio, Indiana, Illinois, Iowa, Wisconsin, Minnesota, and all the States, greenbacks constitute the currency of the country, are accepted in payment of taxes, the salaries of judges and legislators, as well as of the mechanic and laborer; those States, I say, are outstripping you in all that constitutes the essential elements of prosperity. In spite of a million men being drawn from the active pursuits of life; in spite of a devastating war, and all its destructive elements, their growth has not been retarded; but, on the contrary, they are achieving prosperity with an energy which attracts the attention and elicits the admiration of the whole civilized world. [Applause.]

Gentlemen, this war, terrible though it be in many aspects, is eliminating traits and elements of character which almost compensate for the evils it inflicts. The whole world is watching with the greatest interest the wonderful progress we are making. We are subsisting the largest army known to history since the days of Xerxes. We have a financial system which even Toombs, traitor though he be, has been forced to acknowledge as the wonder of the age. The London *Times*, that sneered incessantly at our early efforts, sneers no longer. France, as well as England, has learned lessons in finance as well as in war from us, and Russia alone, of these great powers, is our friend, and extends to us, in this great calamity, the right hand of fellowship. England and its mouth-piece, the *Times*, acknowledge Mr. Chase's financial system the greatest the world has ever seen. It is reserved for California to deprecate it, and say, "We do not want greenbacks."

And now, gentlemen, I will call your attention to another subject in this connection, having an important bearing on our future. You hear it whispered around—a proposition for a Pacific republic. Inaugurate a policy of hostility to the currency of the General Government; say that gold and silver is the only money we will have, and it is a long stride towards

nullification, and in aid of those insidious whisperings of a Pacific republic. You may ask how? California is a coin-producing State; she is the elder sister of the Pacific States. Oregon, Nevada, Washington Territory, Idaho, and Arizona have mines of gold and silver. Should they also insist upon a metallic currency, the time might come, and that, too, at no distant period, when all these coin-producing States and Territories, their capital combined, might plot to sever the Republic; when, what is now secretly whispered, might be openly proclaimed, and a "Pacific Republic" be esteemed the only panacea for imaginary evils. You, my fellow-citizens, may think this impossible. I see grey-haired men here; numbers of you are seniors of me in age. You were all, most probably, born on the eastern side of the Rocky Mountains. We all cherish a lively recollection of the hallowed scenes of our boyhood; the associations and memories of early years can never be effaced from our hearts. The man from New England feels a glow of pride when the trials and triumphs of the Pilgrim Fathers revert to his mind. To him Plymouth Rock is a hallowed spot. The memory of that stern old Puritan, Roger Williams, the great champion of civil and religious liberty, is dear to his heart. The man from New York is proud of the memory of the Knickerbocker and the glories of New Amsterdam. There are the memories of Bunker Hill, of Lexington, of Concord, and of Valley Forge, and thousands of other names and places sacred to us all, which bind us to the fatherland by interests of a different character from that to which referred the distinguished Senator, which do not bind us as with "hooks of steel," but with the tenderest emotions of the heart to the land which gave us birth.

Whence, I ask you, will the rising generations derive their inspirations to bind them to New England and to all the other States. They will have nothing but what their patriotic mothers may instill into their hearts. No old associations, no tender recollections are theirs. The insidious teachings of designing demagogues may induce them to believe that the government of their fathers is a despotism; that the currency of that govern-

ment is worthless as compared with their metallic currency, and that the sole remedy for their imaginary wrongs is to be found in this stealthily whispered "*Pacific Republic*." Then Plymouth Rock, and Bunker Hill, and Monmouth, and Lexington will be forgotten, just as too many of our erring brothers of the South have forgotten their loyalty in our day. Consider all this; think and ponder over it well. Let no act of hostility to the General Government in the form of specific contracts or otherwise be as an entering-wedge to sever the political bonds that, as a people, bind us together. Let us be equal to the occasion, and declare anew our fealty to the Government of our fathers. Let us show a united front against all the enemies of our common country. Strengthen the power of the Government, and revoke and annul every law from our statute books that in the least degree conflicts against the policy and interest of the General Government. Let us sustain the financial policy of the illustrious man at the head of our national affairs. Let us strengthen the power of the Government by every means in our power, and not with ineffable contempt say: "We do not want greenbacks—we will not accept them—give us coin."

Fellow-citizens, let us remember that noble and immortal declaration of the illustrious Roman Senator Cato, on the death of his son: "I did not expect nor desire that my house should prosper at a time like this." How many of you, how many in this State, exempt as we are from the horrors of civil war, are willing to say that for the next few years—so long as this hydra-headed rebellion shall last—"I will spend all my energies in behalf of the Government of my country, and the finger of scorn shall not be pointed at me as I pass, proclaiming that I, or my house, prospered during a calamity like this." Why, it occurs to me, that the noble Carthaginian women show us an example we might well profit by. If those noble women would consent to part with the hair of their heads to make bow-strings for their valorous defenders, surely we might make so small a concession as to accept the currency of our Government while it is defending the life of the country. It has been said to me: "You will be unpopular." What do I care about popularity? I never sought

it, other than that resulting from honorable action. There are periods when men should rise above the ordinary occasions of life. You may live cycles of centuries and yet not be afforded another opportunity equal to the present to display the true nobility of an American character. Millions of your fellow-countrymen have arisen to the dignity of the occasion; shall it be said that California alone was recreant; no, never! Even Arkansas—benighted Arkansas—Arkansas, whose State library numbered scarcely five hundred volumes, comes out in her majesty, and is willing not only to atone for the past, but redeem herself beyond doubt in the future. As she went out of the Union to protect her slaves, she will now return to the Union to protect her whites. Tennessee, also, owing, in part, to the noble stand of those glorious Union men, Andy Johnson and Parson Brownlow, is returning to her allegiance: So with North Carolina.

These States have been baptised in blood, and now stand regenerated, willing and ready to return as the Prodigal returned, they are glad to take greenbacks and cast off slavery. Willing to do more than that; they are willing to stand side by side with negro soldiers. Remember, follow-citizens, that reconstruction is going on at this time; that light is breaking in the South, and that soon, as a regenerated people, they will keep step to the music of the union and the spirit of the age. The colored and despised race that we have held in bondage, aid in the preservation of our nationality, and that, too, with the distinct understanding that, if taken prisoners, there is no quarter for them, they are willing to sacrifice their lives for freedom, Union, regeneration, and their rights. Now, is it possible we cannot make the small sacrifice which is expected at our hands? The fruitful valleys of our magnificent country will be doubly endeared to the hearts of the gallant and noble men who are offering themselves as a sacrifice to defend them. The historic memories of the struggles of this hour will be prized with an enthusiasm equal to that of the heroes of the Revolution, and while all the rest of the loyal portion of the country is aglow with patriotic fervor, shall we alone survey the the struggle supinely,

and instead of co-operating with a generous enthusiasm, hug our bags of gold to our breast, and refuse even to accept the undoubtedly well secured pledges of the Government?

Gentlemen, why has no effort been made to protect the currency of the country? To punish those who depreciate or discount it? Suppose that to-morrow you enact a law similar to one I will read you. It is a law eminently fit to be enacted, it is this:

AN ACT to prohibit the disloyal practice of depreciating United States Treasury notes.

SEC. 1. The United States Treasury issue, known as United States legal tender notes, shall in this State be a legal tender in payment of all debts, dues, and demands of every kind whatsoever, any agreement or contract to the contrary notwithstanding; and any person or persons who shall discount or demand a discount on any of the notes herein referred to, or any person or persons who shall offer to receive any such note or notes at less than the denominational or face-value thereof, shall be deemed guilty of a misdemeanor, and shall subject themselves to the pains and penalties thereto appertaining, &c.

What think you, gentlemen, legislators of the State of California, about passing an act of that kind? Would not that correct the evil, and is it not due to the Government and the country to do so? Is it possible, that we, as Californians, are unwilling to meet the crisis that is upon us as becomes loyal Americans, and make so small a sacrifice for so noble a cause? This currency which we so flippantly reject is the currency of the United States, and is accepted as pay by its loyal defenders in the army and navy, and a generous support of the financial policy of the eminent Secretary of the Treasury, Mr. Chase, will save us at the close of this terrible rebellion from wide-spread financial ruin. A monetary crisis was experienced after the close of the war of the Revolution, also, after the war of 1812, and unless it were for the splendid financial system inaugurated by Mr. Chase, upon the close of the present struggle, financial ruin would stare us in the face. But when this war is ended and our misguided brothers of the South shall "see the error of their ways," we shall yet sit down under the same vine and fig tree—for it is not our purpose nor desire to blot them out of existence, and thus have the bloody record of a Caligula. When we shall have

pressed them to the wall, let us press them no further, for they, too are Americans. Patrick Henry's ablest effort was in behalf of the Tories of the Revolution, and surely these men are no worse than they. Let us be equally generous and conciliatory. When this currency shall be the currency of our common country — South as well as North — it will be acknowledged as better than ever they had before. [Applause.] It will permeate the whole South; it will soon be the recognized medium of exchange from Key West to the northeastern boundary of our republic. Now, let it become one currency, from the Neversink to the Golden Gate; from the pine clad hills of Maine to the arid wastes of Arizona. Let us have one country, one flag, one currency, one united, great, patriotic, loyal people. [Applause.]

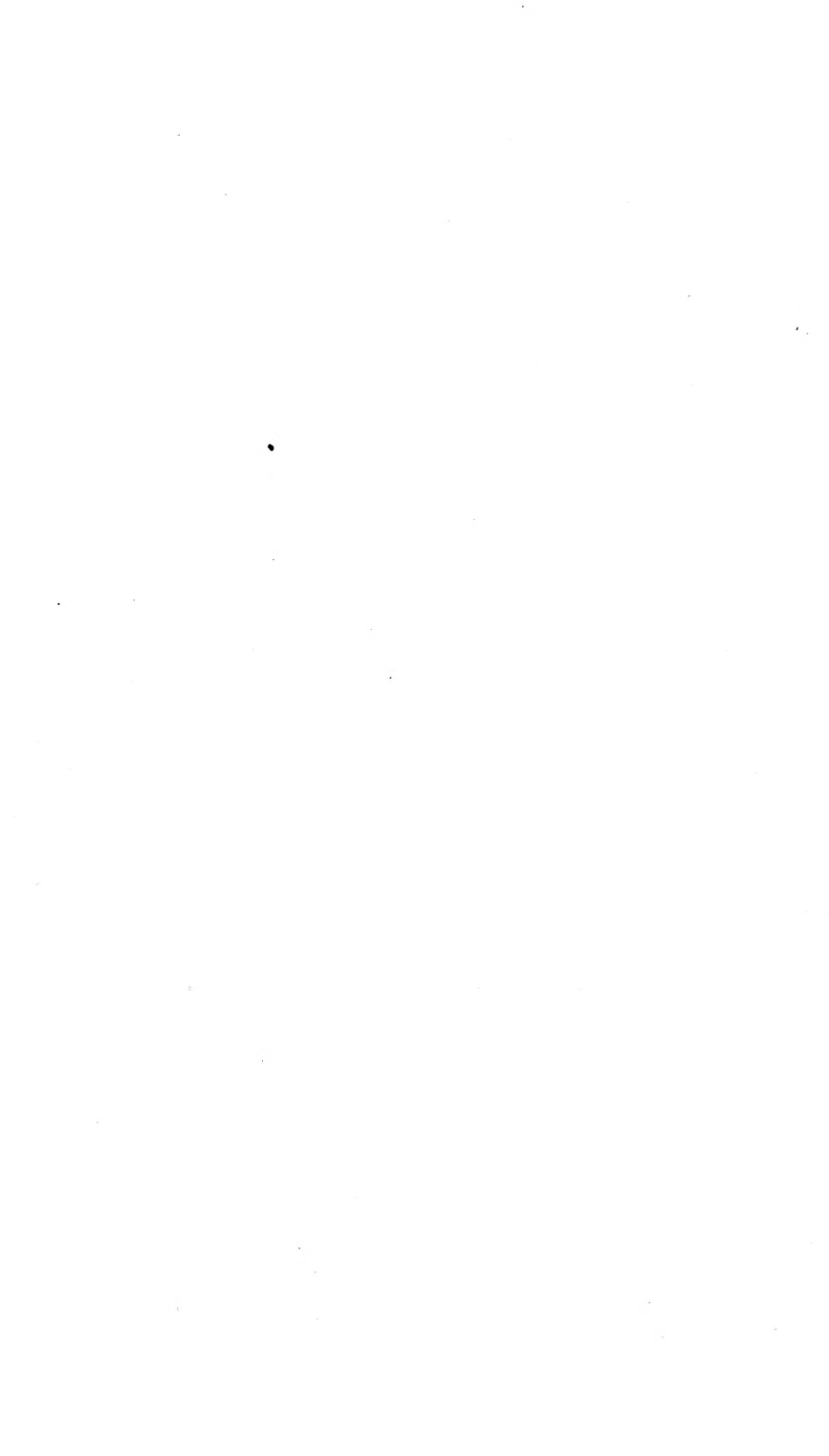
Ah, gentlemen, it is your glorious privilege to cast a ballot in behalf of your country, if it be not your privilege to fire a bullet in its defence; see to it that your duty is well performed and the reward of a grateful people shall greet you when you return to your homes: "Well done good and faithful servants."

Gentlemen, I do not know whether I have been sufficiently elaborate to make myself clear to you. I might have brought before you a greater array of statistics, and have proved to you the solidity of the basis upon which Mr. Chase has founded his magnificent theory, and how easily the country will be able to throw off the burden in a few years after the termination of our present difficulty.

It is my duty as well as pleasure to support the financial policy of the Government, even though I stand measurably solitary and alone in its advocacy here. I am determined that no mob or hireling ruffians shall swerve me from the plain path of duty, though they may hang upon my heels as they did a few nights since in San Francisco, shouting and yelling, "crucify him," "hang him," "hang the d-d Federal officer:" "the hireling, hang him, hang him." I implore you to-night to do yours in a similar spirit. It may be unpopular now; but remember however unpopular men or measures may be to-day, "Time ever does justice to truth." "The world moves, and ever right comes uppermost." Those who may be the subject of invective or scorn to-day for

the support they may yield to the government of our country, will not be forgotten. In this connection I will cite an example. You all remember, doubtless, how unpopular a man was Joshua R. Giddings; yet he was a man whom everybody revered for his strict probity and love of justice. And now, after all the abuse and slander that had been heaped upon him from one end of the land to the other, at the Chicago Convention, where much of the talent and beauty of our country were assembled, I well remember when this old grey-haired man walked in, his venerable face recognized, thousands of hands and voices were raised, and "Giddings!" "Giddings!" "Giddings!" resounded throughout the vast assembly. The principles for which he had suffered were recognized and victorious. The time had come when that much-reviled and slandered cause should be triumphant. So, gentlemen, never fear unpopularity, except as it arises from the commission of dishonorable action. I implore you to support the financial policy of the Government; invite capitalists, with their greenbacks, to your glorious State; extend the right hand of patriotism and good fellowship; establish national banking institutions throughout the length and breadth of the land, and wonderful will be the prosperity that will flow from this enlightened policy. California has all the elements of commercial prosperity. All that she needs to develop her unlimited resources is capital. There is no capital in the State. This Mr. Chase's financial policy will abundantly supply. It is left for you to say whether this glorious result shall be achieved, or whether distrust, dismay, doubt, and disloyalty shall cloud us with financial gloom and national ruin.

Thanking you for the courtesy you have extended to me, I bid you good-night.



APPENDIX.

The following extracts from leading papers in California show but imperfectly the nature and character of the opposition to the advocates of the national currency, and the peculiar circumstances under which the address at Sacramento was delivered :

[*From the San Francisco Daily Morning Call, opposed to repeal, February 5, 1861.*]

MASS MEETING LAST NIGHT.

Platt's Hall was never more completely filled than it was last night, upon the occasion of the meeting of the mechanics and citizens generally, for the purpose of entering their protest against the repeal of the "Specific Contract Bill."*

The memorial and resolutions (to the Legislature opposing the repeal,) were then voted upon, when a thundering aye burst from all parts of the house. "Contrary, No," said the President, and half a dozen voices raised their protest. In an instant a scene was raised; the sea of faces were turned towards the part of the house from whence the voices had proceeded, and cries of "Put them out!" "Hang them!" "Kill them!" and hisses were the order for a few moments. Mr. Torrey (the chairman) came forward, and after a few moments succeeded in quelling the excitement, when he asked the man who opposed the resolutions to show himself, whereupon Mr. Cheesman, United States sub-treasurer, arose from his seat in the gallery and attempted to speak. Again the tumult arose, and for a few moments the excitement was very great, but it being quieted again, Mr. Cook asked that Mr. Cheesman be permitted to speak, and he would reply to him.

This seemed to be acquiesced in by the crowd, who turned toward Mr. C. and prepared to listen to him.

He began to say that Californians were always willing to hear all that was to be said about any question; freedom of speech and free discussion were traits peculiar to them. He had not time to say more before Mr. Joseph Britton rushed down the stage, and in a very excited manner called upon the crowd to prevent Mr. Chees-

* A measure, in effect, to exclude California from the adoption of the national currency.

man from speaking, declaring that the meeting was not called for the purpose of discussing the question, but for the purpose of issuing a counterblast against the repeal of the Specific Contract bill.

* * * * *

[Continued from *Daily Evening Bulletin*, (opposed to repeal) same date.]

Mr. Cheesman said, still keeping his feet, "the challenge was given by a gentleman in the hall this evening."

A voice in the crowd shouted, "that will do for you," sit down, you hireling, and the storm of hisses and cat-calls became tumultuous; some said crucify him, and the milder ones shouted, put him out!

* * * * * Mr. Cheesman, who was still standing—although not still—once more commenced: Fellow-citizens—amid groans, hisses, and cries of "kick him out;" the chairman came to the front of the stage and excitedly said, gesticulating violently, "Mr. Cheesman, you cannot be permitted to come in here and disturb this meeting."

The band then struck up, drowning everything else. * * * *

It was plain to any one familiar with public meetings and the temper of the crowd, that the end was not yet—and so the result proved.

THE SUB-TREASURER IN THE STREET.

The crowd poured out but did not go away, remaining in the street outside to the number probably of three thousand and arranging themselves in the lobby of the hall into a narrow gauntlet which any one passing out would be obliged to run. Mr. Cheesman, from the place he occupied in the hall, was nearly the last man out.

His appearance on the stairs was the signal for cries and jeers: Here he comes: How are you greenbacks! You're a nice cheese you are! Put him out!

Closing up around him, the crowd bore him up Montgomery street like a feather in the grasp of a mountain torrent. No violence was offered, but an abundance was threatened. His friends surrounded him and endeavored to breast off the pressure, but it was getting too great and affairs began to look serious, when refuge was sought in the drug store under the Occidental Hotel.

The crowd gathered around in a solid column of human life, with groans and cries of "Bring him out!" They seemed in the main good humored, though a few of the rougher ones suggested violence, but crowds are dangerous things to trust; their tenderest mercies are cruel, and one might as safely play with a tiger in his native jungle.

The proprietor of the store turned off the gas, and made preparations to resist a siege, when Chief Burke came charging down with

his pony and a posse of three or four officers.

He commanded the proprietor of the store to light his gas and assured him there would be no danger, and he requested the crowd to clear the sidewalk, which was done after a fashion.

[*Marysville Appeal, February 7th, Correspondence.*]

THE CURRENCY QUESTION IN A NEW SHAPE.

Much feeling was excited in the capitol yesterday by the reports of the proceedings at the anti-repeal meeting in San Francisco. The violent demonstrations against Sub-Treasurer Cheesman by a mob which was indecently denouncing the currency of the nation went against the grain of all (true) Union men.

He is a faithful and earnest servant of the Government, Secretary Chase's bureau representative on this coast, and has done nothing to deserve the hostility of loyal men.

They must have been Copperheads who cried "hang him!" and tried to trample him underfoot * * * and would have mobbed Old Abe himself, just as freely as his friend Cheesman.

The following extracts from the *Sacramento Union* (opposed to the repeal) of February 8, 1864, need no explanation:

SAN FRANCISCO, *February 5, 1864.*

DEAR FRIEND: As you will see from the papers at the meeting last evening I was refused a hearing, even for the purpose of correcting errors and gross misstatements, &c.

As this question has not been properly presented by any speaker, so far as I am aware, in this State, if I could obtain the use of the Assembly Chamber on Monday evening next it would afford me great pleasure to present views which I have on the currency question, as well as statistical information on the currency of the country, of which no other person, perhaps, is in possession.

Consult Dr. Buflum, &c.

D. W. CHEESMAN.

J. S. CAMPBELL, Esq., of Eldorado.

The above request was granted by the following vote:

AYES—Allen, Alley, Beaman, Brown of Amador, Buflum, Campbell of San Francisco, Chappell, Devoe, Dodson, Dow, Erkson, Fraser, Hubbard, Hunt, Hirst, Jemison, Langdon, Lux, Owen, Parker, Perley, Personette, Rhoades, Scott of Alameda, Smith of Nevada, Snyder, Sumner, Tukey, Van Leuven, Van Schaick, Walker of Alameda, Wason, Wilcox, Wilsey, Winchester—35.

NOES—Badlam, Boulware, Brown of Tulare, Cherry, Clark, Dickinson, Dutton, Hittell, Hoag, Johnson, Kendrick, Kewen, Littlefield, Martin, Mebius, Perrin, Redfield, Rule, Sepulveda, Smith of Sonoma, Teare, Whalon, Wood—23.

[*From the Sacramento Union February 9, 1864.*]

ADDRESS OF D. W. CHEESMAN ON LEGAL TENDERS.

At the Assembly Chamber last evening D. W. Cheesman, of San Francisco, United States Sub-Treasurer, addressed a crowded audience, about a quorum of the Legislature being present, on the subject of the United States legal tender currency, and the proposed repeal of the Specific Contract act.

Ex-Governor Stanford was chosen President of the meeting, and said he had come like the rest to listen, but none the less thanked the meeting for the honor. E. A. Rockwell, of the San Francisco *Call*, was chosen Secretary, which completed the organization. Cheesman was introduced by the President, and entered at once upon the discussion of his subject, making an earnest, fervid, and argumentative speech. * * * * *

The following telegrams and extract are from the *Bulletin*, February 9, (opposed to repeal):

SACRAMENTO, CAL., *February 6, 1864.*

TO HON. SALMON P. CHASE,

Secretary of Treasury, Washington City.

Is California's gold law against national policy? Repeal proposed. Your opinion is important. Answer.

THOMPSON CAMPBELL, *Assemblyman.*

E. W. ROBERTS, *Senator.*

[REPLY.]

WASHINGTON, *February 8, 1864.*

TO THOMPSON CAMPBELL and E. W. ROBERTS:

I am clearly of opinion that the California gold law is against national policy, and I shall be much gratified to see California declare herself in favor of one currency for the whole people, by its repeal.

S. P. CHASE, *Secretary.*

* * * * *

It is likely enough now that the bill will pass. Two or three Senators who were against repeal are said to have had their convictions shaken by official assurance that the gold law is considered unfriendly to the national currency. Had the bill been put on its passage on Saturday or yesterday, a full Senate being present, it would have been defeated by a majority of one. Its passage by a majority of

two or three is now apprehended and predicted. The flash of feeling excited by Cheesman's speech and presence, the declaration of Chase against the existing law, the noisy demonstrations in the Assembly above noted, have combined to make a sort of *furor* on the subject, which seems likely to prove more than a match for the cool financial arguments of the opposition and the protests of distant constituencies.

[The law still remains in force, having never been repealed.]

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